

EXHIBIT

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**MICHAEL
DELANEY'S
DEPOSITION
EXCERPTS
02/23/04**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

CASE NO.: C-1-01-641

Q & R ASSOCIATES, INC.,

Plaintiff,

vs.

DEPOSITION

UNIFI, INC., et al,

Defendants.

COPY

WITNESS: MICHAEL EUGENE DELANEY

**TAKEN AT THE OFFICES OF:
UNIFI TECHNICAL FABRICS, LLC
7201 West Friendly Avenue
Greensboro, NC 27401**

**DATE: 2-23-04
TIME: 9:37 A.M.**

**REPORTER: DALE L. RING
CHAPLIN & ASSOCIATES, INC.**

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1 was some good agents that he was going use those
2 people because we talked about -- you know, I
3 remember talking one day about, "Have you been
4 able to figure out how to sell this product?" And
5 he said, "There's a -- there's a really good group
6 that is going to -- you know, that we hope to be
7 able to work with."

8 Q. Okay.

9 A. Beyond that, at the -- towards the end
10 of the deal -- and I don't know the exact day, but
11 towards the end of the deal -- I know Mike wanted
12 to make sure that if a deal happened, that we knew
13 that there was a group called Q&R, that we needed
14 to try to, if we could, take care of them. And
15 that was as far as it went. And I passed that on
16 to Ron or it came -- Ron and I talked about it, I
17 know.

18 And so, because it was a relatively new
19 relationship, we had hoped to try to make sure
20 that went into the deal. I know Ron approached
21 AVGOL to try to make that happen.

22 Q. Did you personally have any discussions
23 with anybody at AVGOL about Q&R?

24 A. No.

25 Q. That was all Ron?

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1 A. That would have been all Ron. I don't
2 recall having any discussions.

3 Q. When was the first time you -- do you
4 recall, in time, about when you heard the very --
5 well, let's strike that and start over. It's
6 terrible.

7 When was the first time that you heard
8 about Q&R at all? Can you give me an approximate
9 point in time?

10 A. Maybe sometime in April.

11 Q. Okay. 2001?

12 A. Yeah.

13 Q. And then there was no further mention of
14 them until towards the end when Mebane wanted you
15 to take care of ---

16 A. What I remember is a conversation
17 sometime probably in April, and then I remember --
18 I remember as things started to heat up and it
19 started to look like it might get more real around
20 the, you know, binding LOI time, perhaps, or maybe
21 before the final agreement, I remember Ron telling
22 me he was going to try to get -- get that
23 relationship working with the deal with AVGOL.

24 Q. Did that ever happen?

25 A. Not -- no, I don't believe it did. I

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1 know AVGOL -- he came back to me, and he said,
2 "You know, they pushed back on that." And Mike --
3 he -- I know he wanted to do it. We thought it
4 was the right thing to do. Nor do I -- nor do I
5 remember in those conversations that we actually
6 had an agreement with them. It was confusing
7 because I don't remember that we ever had an
8 agreement with Q&R, and then we were trying to
9 work them into the deal. So I remember raising
10 that question. But, anyway, we gave it a shot.

11 Q. You say AVGOL pushed back on that point.
12 What do you mean? They said no?

13 A. Those are my words, not Ron's.

14 Q. Sure.

15 A. But he -- I remember at some point he
16 had brought it up and somebody from AVGOL, whoever
17 it was he was dealing with, had not wanted to do
18 that. And that kind of, I think, was a surprise
19 because we didn't realize there was -- it would --
20 there was an issue there.

21 Q. Do you recall what the sale price was of
22 the plant?

23 A. Based on the way it was structured, I --
24 I'm guessing, low 40s. I mean, I don't remember
25 what the final number was.

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1 Q. It says, "Due diligence teams arrive to
2 begin the process," and then it says "oh" and I
3 think they meant "on April 16th." Does that sound
4 about right?

5 A. I don't recall. What's the date of
6 this? April 4th. It doesn't sound right. It
7 seems like it was much later than that.

8 Q. Okay.

9 A. I think maybe somebody had a hope that
10 something like that might happen because they were
11 pushing for something early.

12 Q. Okay.

13 A. But until we knew that there was a real
14 deal, that wasn't going to happen.

15 Q. If you skip down on the same page, below
16 the Roman numeraled paragraphs, to the first full
17 paragraph after those? It begins, "Overall, the
18 meeting went much better than I thought it would."

19 A. Tell me where I'm skipping down to
20 again?

21 Q. To the ---

22 A. Oh, the final ---

23 Q. Yeah. Take -- just take a moment and
24 read that paragraph.

25 A. Uh-huh (yes).